

An excerpt from:

*Better Health & Social Care: How are Co-ops & Mutuels Boosting Innovation & Access Worldwide?*

An International survey of co-ops and mutuals at work in the health and social care sector (CMHSC14)

Volume 2: National Cases

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For the research framework, the analysis of the national cases, and other research components, including a description of the research team members, refer to Volume 1: Report.

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## HEALTH SYSTEM

Singapore has a universal health care system with multiple layers of protection. This system is generally referred as the “subsidies plus 3M framework.” As a first tier of protection, universal health coverage is provided by tax-financed government subsidies available to all citizens in public hospitals and government polyclinics. The 3Ms (Medisave, MediShield, and Medifund) constitute the second, third, and fourth tiers of medical protection to Singaporeans. Medisave is a compulsory individual medical savings account scheme which allows them to pay their share of medical treatment without financial difficulty. MediShield is a catastrophic medical insurance scheme allowing them to effectively risk-pool the financial risks of major illnesses (i.e., it covers hospitalization bills for the treatment of catastrophic illnesses). Medifund is a financial assistance scheme serving as “the ultimate safety net for needy Singaporean patients who cannot afford to pay their medical bills despite heavy subsidies, Medisave and MediShield.”<sup>1</sup>

Thus, Singapore has a mixed financing system based on the combined philosophies of individual responsibility and affordable health care for all. A key principle of Singapore’s national health scheme is that no medical service is provided free of charge, regardless of the level of subsidy, even within the public health care system.<sup>2</sup> The government subsidizes up to 80% of the bill in public sector hospitals, where 80% of acute care services are provided.<sup>3</sup> As regards primary care services, 80% are provided by private general practitioners and the rest by public polyclinics.<sup>4</sup> Patients visiting the clinics of private general practitioners do not receive subsidies and have to cover the full cost of treatment.<sup>5</sup> As the health care financing system in Singapore is “skewed towards supporting the acute sector .... high levels of out-of-pocket payment are required for primary care.”<sup>6</sup> This is regarded as a “major failure of Singapore’s healthcare financing system.”

Furthermore, a 2010 study<sup>7</sup> revealed that “the increased affluence, higher life expectancy and the ageing of the population have further raised household expenditures on healthcare over time.” Like other countries, Singapore faces the challenges of an aging population. By June 2013, 10.5% of Singaporeans were over 65 years old and 16.3% were over 60.<sup>8</sup> According to a report prepared by National University of Singapore, population aging “is producing a new set of policy and political challenges. As the population ages, the national health care spending (both public and private) will increase since older persons consume more health care than the young.”<sup>9</sup>

## HEALTH COOPERATIVES

Health cooperatives have the potential to address the problem of primary care delivery and increased health care spending. Two health cooperatives were identified in Singapore, NTUC Unity Healthcare Co-operative Ltd (founded in 1992) and the Good Life Co-operative Ltd (2012). Both are user-owned organizations.

**NTUC Unity Healthcare Co-operative Ltd** is the largest health care co-operative in Singapore. It was set up by the National Trade Union Council (NTUC) about 20 years ago in response to workers’ concerns over rising health care costs. Nowadays it aims to empower the community to care for its health and wellness, with the support of its pharmacists, dentists, and other professional staff.<sup>10</sup> It currently operates more than 50 Unity Pharmacies and 15 Unity Denticare clinics

nationwide.<sup>11</sup> Moreover, in collaboration with the National Healthcare Group, the cooperative runs a family medicine clinic. Working with three doctors and supported by a team of nurses and allied healthcare professionals, the clinic provides preventive and primary care services to the community.<sup>12</sup> Because the clinic encourages patients to make appointments in advance, patients can expect to have a shorter waiting time in the clinic.

Apart from offering affordable and easily accessible health care products and services to the public, NTUC Unity Healthcare Co-operative works with NTUC Eldercare to provide free health checks to the elderly. It operates self-help health check stations in five NTUC Eldercare Silver ACE centres. The stations provide basic equipment that allows users to check their blood pressure and body mass index. More than 1,200

Population (in thousands): 5,303

Population median age (years): 37.88

Population under 15 (%): 16.48

Population over 60 (%): 15.13

Total expenditure on health as a % of Gross Domestic Product: 4.7

General government expenditure on health as a % of total government expenditure: 11.4

Private expenditure on health as a % of total expenditure: 62.4

seniors living in the vicinity of the centres are estimated to benefit from this initiative, which enables them to care for their own health and wellness.<sup>13</sup> Moreover, since many seniors suffer from such chronic diseases as hypertension and diabetes, a group of Unity pharmacists visit five NTUC Eldercare Silver ACE centres on a regular basis to conduct health checks and monitor individuals' health conditions. On top of the health checks, pharmacists spend time to explain the purpose of the medications to prevent harmful drug conflicts. This medication review enables the elderly to stay informed about the various types of medication they consume daily. Finally, every Tuesday, the cooperative provides seniors aged 50 and above with a 5% discount on regular priced items at all Unity pharmacies.<sup>14</sup>

The purpose of establishing **The Good Life** is to provide an alternative type of health care system which focuses not simply on treatment but on prevention. It works by partnering its members' needs with medical professionals and creating suitable programmes.<sup>15</sup> In other words, it offers a network of doctors as medical providers. As one of the benefits, its members can profit from discounts for services and products purchased from affiliated providers. Currently there are 19 affiliated providers working in the private sector. These doctors are specialized in a wide range of fields, such as ENT (ear, nose, throat), dermatology, general surgery, orthopedics, ophthalmology, and endocrinology.<sup>16</sup> Besides, members gain access to information on health care and the health care financing framework, and can get involved through activities like public forums.<sup>17</sup>

## SOCIAL COOPERATIVES

In Singapore, six healthcare-related social cooperatives were identified. Together they provide a wide range of services and activities from daycare, elder care, home care (e.g., nursing, home physiotherapy, home dementia care) and travel services to medical or clinical care and active rehabilitation, etc. (See Table 2.)

**Table 2: Social Cooperatives in Singapore<sup>25</sup>**

Name (Year)	Type	Member #	User #	Staff # <sup>26</sup>	Services	Other information
NTUC Eldercare Co-operative Ltd (1997) <sup>27</sup>	P	N/A	N/A	N/A	Daycare, home care, basic clinical care, home nursing, home physiotherapy, home dementia care, sheltered home, senior activity centres, active rehabilitation, caregiver training	9 daycare centres, 6 seniors activity centres
Singapore Amalgamated Services Co-operative (SASCO LTD) (1933) <sup>28</sup>	P	N/A	N/A	15	Elder care, daycare, rehabilitation, childcare	A second-level cooperative union with 14 cooperative affiliates
Silver Horizon Travel Co-operative Ltd (2012) <sup>29</sup>	U	117 (2013)	N/A	5	Travel services	
Methodist Co-operative Society Ltd (1995) <sup>30</sup>	U	800 <sup>31</sup>	N/A	18	Child care, educational, legal, medical, welfare, recreational, housing, and transport services	

**Table 1: Health Cooperative Data<sup>18</sup>**

Number of cooperatives	2
Type of cooperative	User-owned
Number of members	18,518 <sup>19</sup>
Number of employees	about 500 (2012) <sup>20</sup>
Dentists and specialists	> 100 <sup>21</sup>
Users	N/A
Facilities	56 pharmacies, 15 denticare clinics, 1 family medicine clinic
Services offered	Retail pharmacy, wholesale distribution, dental services, medical services, organic food distribution Illness/accident prevention Wellness and health promotion Treatment and cure
Annual turnover	N/A
Revenue sources	Sales of goods (81.6%), dental services (11.2%), others (7.2%) <sup>22</sup>

## HEALTH MUTUAL ORGANIZATIONS

In Singapore, there is one cooperative insurance enterprise, NTUC Income, that provides health insurance. It was established in 1970. Nowadays, it provides health, life, and general insurance products and services at affordable rates to two million customers across all segments of society.<sup>23</sup>

## PHARMACY COOPERATIVES

In Singapore, NTUC Unity Healthcare Co-operative Ltd. operates 56 cooperative pharmacies, providing both medical and health care products and a comprehensive range of professional services at affordable prices. Those services include advice on drug interaction, chronic disease management, diabetic care, dispensary service, information on travel medication and first aid, medication for minor ailments, and medication review.<sup>24</sup>

## SOURCES

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- <sup>3</sup> Ng, T. L. T. 2013. "Enhancing Universal Health Coverage through Public-Private Partnerships in Primary Care: The Case of Community Health Assist Scheme in Singapore." Lee Kuan Yew School of Public Policy, National University of Singapore. (<http://www.economistinsights.com/sites/default/files/legacy/ecasia/uploaded-resources/CHAS-Singapore.pdf>).
- <sup>4</sup> Ng 2013; also see Gill, Alisha. 2013. "Healthcare Financing: How should Singapore's Ministry of Health shift costs from private pockets to the public purse?" Lee Kuan Yew School of Public Policy, National University of Singapore. ([http://lkyspp.nus.edu.sg/wp-content/uploads/2013/07/csu\\_healthcare-financing-final\\_2207.pdf](http://lkyspp.nus.edu.sg/wp-content/uploads/2013/07/csu_healthcare-financing-final_2207.pdf)). P. 3.
- <sup>5</sup> Tan, N.C. 2014. "PAIR UP for primary care excellence: Perspectives from a primary healthcare provider in Singapore." *Singapore Medical Journal* 55(3):110-116.
- <sup>6</sup> According to Ng (2013:2), "Singaporeans rely extensively on out-of-pocket payments to finance their healthcare, with at least 50 per cent of total healthcare expenditure being borne by out-of-pocket payments."
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- <sup>8</sup> Department of Statistics Singapore. 2014. *Yearbook of Statistics Singapore 2014*. Department of Statistics, Ministry of Trade and Industry, Republic of Singapore. ([http://www.singstat.gov.sg/publications/publications\\_and\\_papers/reference/yearbook\\_2014/yos2014.pdf](http://www.singstat.gov.sg/publications/publications_and_papers/reference/yearbook_2014/yos2014.pdf)).
- <sup>9</sup> Gill 2013:8.
- <sup>10</sup> Unity Healthcare. 2014a. "Vision, Mission, Values." NTUC Health Co-operative Ltd. Webpage. ([http://www.ntuhealth.com.sg/unity\\_healthcare/](http://www.ntuhealth.com.sg/unity_healthcare/)).
- <sup>11</sup> The data is as of the end of 2013. See: Unity Healthcare. 2014b. "Your Caring Partner in Lifelong Health: Unity Healthcare Annual Report 2013." NTUC Health Co-operative Ltd. (<http://www.ntuhealth.com.sg/pdf/Unity-Healthcare-AR13-Fullset.pdf>). P. 11.
- <sup>12</sup> For more information about clinic services, go to: Unity Family Medicine Clinic. 2014. Website. (<http://unityfmc.com.sg/services/>).
- <sup>13</sup> Unity Healthcare. 2014c. "Corporate Social Responsibilities." Webpage. ([http://www.ntuhealth.com.sg/unity\\_healthcare/corporate\\_social\\_responsibilities.php](http://www.ntuhealth.com.sg/unity_healthcare/corporate_social_responsibilities.php)).
- <sup>14</sup> Unity Healthcare 2014c.
- <sup>15</sup> The Good Life. 2014. "Who We Are." The Good Life Co-operative Limited. Webpage. (<https://www.thegoodlifecoop.org/index.php/about-us/who-we-are>).
- <sup>16</sup> The Good Life. 2014. "Doctor Directory." The Good Life Co-operative Limited. Webpage. (<https://www.thegoodlifecoop.org/index.php/member/benefits/doctor-directory>).
- <sup>17</sup> Xinmsn.com. 2014. "Healthcare co-operative to encourage a more hands-on approach." March 28. (<http://news.xin.msn.com/en/singapore/healthcare-co-operative-to-encourage-a-more-hands-on-approach-1>).
- <sup>18</sup> Since the data from the Good Life Health Co-operative is currently unavailable, the data provided here only refers to one cooperative, NTUC Unity Healthcare Co-operative.
- <sup>19</sup> Including 11 institutional members and 18,507 individual members (Unity Healthcare 2014b:77).
- <sup>20</sup> Microsoft. 2012. "Singapore Health Co-operative Uses the Cloud to Scale with Growth." Microsoft Office 365 Customer Solution Case Study. (<http://www.microsoft.com/casestudies/ServeFileResource.aspx?4000031278>).
- <sup>21</sup> They are dentists and specialists working in 15 Unity Denticare clinics (Unity Healthcare 2014b:12).
- <sup>22</sup> Figures are as of the year ending March 31, 2013. Other revenue sources include advertising income, dividend income, government grant, interest income, rental income, and others. (Unity Healthcare 2014b: 64).
- <sup>23</sup> NTUC Income. 2014. NTUC Income Insurance Co-Operative Limited. Website. (<http://www.income.com.sg/aboutus/index.asp>).
- <sup>24</sup> For more information, consult: Unity Healthcare. 2014d. "Pharmacy Services." NTUC Health Co-operative Ltd. Webpage. ([http://www.ntuhealth.com.sg/services/pharmacy\\_services.php](http://www.ntuhealth.com.sg/services/pharmacy_services.php)).
- <sup>25</sup> Note that this table list is not meant to be exhaustive. Organizations were selected from: SNCF Singapore National Co-operative Federation. 2014. "Affiliates." Webpage. (<http://www.sncf.org.sg/web/affiliates-directory/affiliate-directory>). The following sectors were searched: Health; Aged Care & Welfare Affiliates; NTUC co-operative sector Affiliates; and Service Co-operatives Sector Affiliates. Two more social cooperatives in Singapore are Silver Caregivers Co-operative Ltd and REVERSE Co-operative Ltd. Neither was included in the table owing to a lack of information. The website of Silver Caregivers Co-operative Ltd (<http://www.silvercaregivers.org.sg/>) is currently not working. Very little figure-based information seems available from the website of REVERSE Co-operative Ltd (<http://reverse.org.sg/web/>).
- <sup>26</sup> Figures obtained for this column all refer to management staff.
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- <sup>28</sup> SASCO. 2014. "Formation of the Co-Operative Union (SASCO LTD) in 1933." Singapore Amalgamated Services Co-operative Organisation Limited. Webpage. (<http://www.sasco.org.sg/>).
- <sup>29</sup> Silver Horizon Travel Co-operative Ltd. 2014. Website. (<http://silverhorizontravel.com/index.php>).
- <sup>30</sup> Methodist Co-operative Society Ltd. 2014. Website. (<http://www.methodistcoop.org.sg/>).
- <sup>31</sup> Methodist Co-operative Society Ltd. 2013. "Annual Report 2012-2013." (<http://www.methodistcoop.org.sg/Downloads/AnnualReportEnded31July2013.pdf>). P. 3.